

RFS 6-77
OASIS Funding Model Services
Questions and Answers

1. Page 3 of the RFS states that the State relies heavily on subjective descriptions of individual's needs to make determinations about appropriate levels of support. Could you provide more clarification or explanation for the term "subjective descriptions" and describe how it is used in determining the funding amount for each individual for each of the three waivers? What assessment instruments, if any, are currently being used, and who performs the assessment?

Indiana uses the Developmental Disabilities Profile (DDP) as the Medicaid Level of Care instrument. The DDP is administered by Service Coordinators (initial) and Case Managers (annual) who have completed training in administration of the instrument. The DDP qualifying score is already established, it is automatically calculated based on the responses entered into the DDP, and there are edits in the waiver case management system that prevent approval of LOC for persons whose DDP score, or other qualifying data (Qualifying condition, present prior to age 22, likely to continue, etc.) is not met.

Once Level of Care is established the individual, their Case Manager and the Individualized Support Team (IST) design the Person Centered Plan. An Individualized Support Plan (ISP) is then created and submitted to the State separate from the individual's waiver budget. The individual's budget is created by the Case Manager. The budget includes requests for specific services, annual rate amounts and service levels. While it is expected that services requested on the budget reflect the needs of the individual as described in the ISP, the budget is not tied to results of the DDP nor any other objective assessment.

Current annual budget amounts approved for Residential Services, Day Services and Behavioral Support Services are based on prior fiscal expenditures. These prior fiscal year expenditures were based on previously approved service units. The units allocated were not tied to an objective measure or assessment of the individual. They were based on subjective descriptions of the individual provided in the "service justification" area of the budget.

The number of units approved by the State for all other services continues to be based on what is requested on the budget and the subjective description of the individual's need for that service. Case Managers request services for individuals that are new to the waiver and the State approves budget amounts based on comparisons with waiver participants with similarly described strengths and needs.

2. Page 4 of the RFS states, "The lack of budget stability limits the State's ability to encourage and support a viable provider community." Could you please elaborate

on the cause for the lack of budget stability and how it is affecting the provider community?

Before implementation of the Annual Plan process, requests to change individuals' waiver budgets could be submitted at any time. State approval of the requested budget took weeks, even months, and providers were told that if they changed services before the budget was approved, there was no guarantee the request would be approved at all, or at the level requested. Attempts to control increasing waiver expenditures led to implementation of several policies that impacted provider reimbursement.

Stability in funding for waiver services was difficult to achieve under these circumstances. In general, this has led to a provider system that favors serving individuals in Group Home settings rather than home and community based settings, because funding streams are more consistent and predictable.

The new Annual Plan system has increased stability in the waiver programs by providing an annualized rate for the major services (Residential, Day Service and Behavioral Support Services). The State would like to strengthen this stability and ensure financial stability across all funding streams.

3. How have the changes announced under FSSA/DDRS Annual Plan that converted the budgets in November of 2005 to annual amounts impacted the stability of the budgets, and have these changes assisted the State in being better able to forecast future expenditures?

As described in the question above, the Annual Plan project has increased financial stability for providers. The State looks to the OASIS funding methodology to continue and strengthen the State's ability to forecast future expenditures and remain within the State's budget appropriation.

4. What are the budget caps and number of slots authorized in each of the three waivers? Are expansions in any or all of the three waiver programs anticipated during the three-four year course of the contract? If so, what are they?

The Support Services Waiver is the only waiver with an overall budget cap. That cap is \$13,500 per year, not including Case Management and transportation. We do expect to add 500 individuals to these waivers over the course of the next two fiscal years. The exact number of individuals on each waiver has not yet been decided. The number of slots currently authorized, but not filled due to fiscal constraints:

**Autism Waiver
600 total through 2007**

**DD Waiver
6,007 total through 2008/09**

**Support Services Waiver
4,591 total through 2009/10**

5. Page 3 of the RFS says that the State wants to redesign the three waivers - DD, Autism and Support Services. This seems to conflict with page 5 of the RFS which states that the State recognizes the unique qualities of the Support Services Waiver and will only include it in this overall process if and when it is appropriate to do so." Please clarify what are "the unique qualities of the Support Services Waiver" that would preclude it from being part of this RFS? Should the contractor prepare its proposal excluding the Support Services Waiver, and if it were decided at a later date to include them, would the contract be adjusted accordingly?

The Support Services Waiver provides day services and related supports. Individuals on this waiver are not eligible to receive Residential Habilitation and Support services. In addition, the total amount available on this waiver is capped at \$13,500 per year (not including Case Management services or transportation services). Due to fiscal constraints, the State is not able to provide residential services to individuals on this waiver.

Participants on the Support Services waiver will be included in the ICAP assessment process. The State will look to the stakeholder group and the contractor to drive decisions about if and how to include individuals on the Support Services Waiver in the funding model. If costs associated with residential services cannot be removed from calculations for individuals on this waiver, or other mechanisms devised to cap expenditures these individuals will not be included.

The contractor should focus the proposal on the funding model for individuals on the DD and Autism waivers, and include proposals for addressing individuals on the Support Services waivers as possible. If including these participants results in the creation of a totally separate funding model, the contract may be reviewed accordingly when that determination is made.

6. Page 4 of the RFS states that one project goal is the creation of a specific annualized funding range that is available to the individual and their team. It is not clear whether the State's goal is to establish an annual budget amount or an individual funding range that the individual and his/her team can then decide how to spend on the services identified in Attachment D?

The State expects the end result of this project will be a funding model that includes several funding ranges that individuals are "placed in", based on the results of their ICAP assessment and review of the additional criteria. The team will then determine how to spend that range amount on an appropriate mix of services. Ideally, the individual's funding range will take the place of what we currently call the "annual budget amount" or "annual plan rate".

7. Page 4 of the RFS states that a goal of the funding model is to “Provide a consistent system that will support a network of provider agencies that is financially viable and able to offer an array of relevant services.” Can you please elaborate on this goal in some detail, and what the performance expectations will be for the successful contractor?

The State expects the OASIS Funding Model to establish and maintain consistency for individuals and providers through creation of a funding mechanism that is based on objective assessment process (ICAP) and additional identified criteria. The resulting individual funding levels will be available for the Plan of Care year, with minimal changes (either positively or negatively). This will stabilize funding for providers and will encourage development of initiatives to meet the needs of the individuals served. The State’s expectations are explained in the project goals outlined in the RFS. Specific performance expectations related to this and all other goals in the RFS will be based on the proposal submitted by the bidder and the resulting contract.

8. Page 5 of the RFS states that a goal of the Budget Planning Tool is to “Provide the ability to forecast State expenditures based on the number and needs of individuals currently in service and the number and needs of individuals waiting to be served.” Is there an expectation that the 15,000 individuals currently on the waiting list would be assessed using the ICAP assessment and that a Budget Planning Tool should be completed to estimate their service needs? If so, how would this work and who would be completing the ICAP assessment and the Budget Planning Tool for this group?

Assessment of the 15,000 individuals on the waiting list and inclusion in this phase of the project is outside the scope of this RFS. A long-term goal for this project is that individuals on the waiting list would be assessed with the ICAP. That information may allow for emergency prioritization of individuals on the waiting list. In addition, both the individual and the State would be able to forecast future expenditures. The individual would have some idea, at that particular point in time, what their waiver budget may look like and the State could use the ICAP and funding model to more accurately estimate expenditures when moving individuals off the waiting list.

9. In order to have a reasonable and reliable basis for data analysis, current expenditure data for each individual by service level as well as his/her diagnosis must be readily available. This is particularly true for individuals that require high levels of support that would be considered as cost utilization outliers in a standardized reimbursement model. Is this information available for each individual for each of the three waivers?

Expenditure data will be available for each individual on each of the three waivers in databases managed by State contractors. Note that expenditures after November

1, 2005 will be grouped into the larger residential and day service headings. Diagnosis information can be provided and as the ICAP assessments move forward, will be collected for that process as well.

10. If the answer to number 9 is yes, is the data a single database and can it be provided in electronic format. If so, what is the format of the data?

Data may come from more than one database held by various State contractors. Following is the format of potential data sources by vendor:

- **Roeing (Insite) – Foxpro**
- **Terry Boyer (DART) -- SQL**
- **Milliman -- SQL and/or Oracle**
- **EDS – Oracle**

11. What is the mechanism the State currently uses for meeting the funding needs for individuals considered outside the current reimbursement system, and how many individuals are affected? Are you specifically referring to very high cost individuals?

The State's current approach does not address high cost individuals differently than others in the system. Individualized Support Teams create Plans of Care and related budgets that are reviewed by the State through the standard waiver budget process. There is no standard mechanism for objective identification of these individuals.

12. Page 5 of the RFS states that the State has chosen the Inventory for Client and Agency Planning (ICAP). The RFS also states that the funding model is to incorporate the ICAP. How and when does the State plan to collect the ICAP assessment data for the 9,000 waiver recipients? Will this ICAP data be available to the contractor in a timely manner for developing the OASIS funding model, and if so, when?

The State will identify a contractor to administer the ICAP assessments on all waiver participants. That RFS (6-85) is in process and we anticipate completing contract negotiations in July 2006. At this time the State plans to house ICAP assessment data and make it available to the contractor. Once both contracts are awarded (6-77 and 6-85) we will work with the parties involved and the State's OASIS stakeholder group to prioritize individuals for the assessment process. The ICAP RFS is broken into two years with an estimated 5,000 assessments administered per year.

13. Does the State intend to engage a contractor to perform ICAP assessments, and if so, please elaborate on how such activities would interface with this project?

See the response to question twelve. The State would expect the contractors to work together and with the State to appropriately prioritize individuals for the assessment process and share data collected from the ICAP assessment.

14. For data to be reliable, it must be objectively determined. If not, then any modeling using such data will be suspect. What measures is the State taking to ensure that the ICAP data available to the successful contractor for use under this contract will be reliable?

The State will contract with an independent entity to administer the ICAP assessments in a reliable manner. That vendor must have a written protocol for the administration of the assessments, an established training curriculum and a thorough quality assurance process.

15. Page 18 of the RFS requests the bidder to describe its data collection methods. Is it anticipated that the bidder of this RFS will be responsible for collecting data from sources other than the State? If so, could you elaborate more on the expectations of the State with respect to the collection of data?

The contractor for this RFS will be expected to gather data from the State and from other contractors working with the State. At this time those contractors include those listed in response to question ten (10). The company awarded the ICAP RFS (6-85) will also be part of the data sharing process. The State will facilitate the data sharing process and expects the contractor to participate in determining what data is needed from which source, how best to gather the data and verification that data provided meets the contractor's needs.

16. Page 18 of the RFS requests bidders to address what information will come from existing sources. Could you please clarify what the existing sources of State information will be made available to the successful contractor?

See response to question 15. Yes, the State expects information held by the above contractors to be made available.

17. Page 18 of the RFS requests the bidder to explain how it would facilitate the data collection process. Please clarify what data to which the State is referring. Will the data available either currently or to be collected by another state contractor, be made readily available to the successful contractor?

See responses to questions 14 and 15. The bidder should verify the intent to participate and cooperate in the data collection process.

18. Due to the number of questions about this RFS and the possible impact that the State's answers will have on how the proposals are prepared, will the State consider

delaying the due date of the proposals to allow potential bidders the opportunity to consider the State responses more carefully?

Yes, the State will move the response date to Thursday, May 18, 2006.

19. We understand that the State has announced that an RFS will be issued in May for the collection of ICAP assessment data. The collection of ICAP assessment data is an essential component for the development of the funding model. Can you please provide additional information and elaboration on this process – how you see the collection, format and availability of the ICAP data along with project timelines for the collection of ICAP data will impact this RFS?

The RFS for objective ICAP assessments is underway. The State expects to have a contract negotiated with the winning bidder in July 2006. The State expects to hold data collected through the ICAP process in a database managed by the company awarded the contract (similar to arrangements with other contractors).